



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0296
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Title:	Revise beer and wine licensing laws
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Primary Sponsor:	Weinberg, Dan
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Status:	As Introduced
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| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2007 Difference</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:					
General Fund	\$0	\$0	\$0	\$0	\$0
Proprietary Fund (06)	\$4,000	\$34,436	\$28,384	\$28,384	\$28,384
Revenue:					
General Fund	(\$4,000)	\$682,564	\$4,016	\$4,016	\$4,016
Proprietary Fund (06)	\$0	\$717,000	\$32,400	\$32,400	\$32,400
Net Impact-General Fund Balance:	<u>(\$4,000)</u>	<u>\$682,564</u>	<u>\$4,016</u>	<u>\$4,016</u>	<u>\$4,016</u>

Description of fiscal impact: This legislation increases the number of restaurant beer and wine licenses available. The number of licenses issued is expected to increase and the state receives fees for each license issued. This legislation will also require administrative costs for 0.50 FTE.

FISCAL ANALYSIS

Assumptions:

1. This legislation increases the number of restaurant beer and wine (RBW) licenses that the Department of Revenue is allowed to issue. The Department of Revenue has calculated that 183 new RBW will be available under the proposed legislation. Currently, only 44% of the available RBW licenses have been issued. Therefore, this legislation is expected to result in 81 new licenses (183* 44%) issued. Although SB 296 is effective on passage and approval, the new licenses will not be issued until after the license availability is published in newspapers statewide and the necessary paperwork has been completed. Therefore, this fiscal note assumes that these licenses are issued in FY 2008.

2. Licensees pay an initial license fee based on the seating capacity of the establishment, as described in MCA 16-4-420(11). The average initial fee for the 135 RBW licenses currently issued was \$8,852. Therefore, the fiscal impact in FY 2008 is expected to be \$717,000 (\$8,852*81).
3. Licensees pay an annual license renewal fee of \$400. The fiscal impact of this legislation is expected to be \$32,400 (\$400 * 81) in FY 2009 and each following fiscal year.
4. The Department of Revenue requires 0.5 additional FTE for a license examiner with administrative costs of \$34,438 in FY 2008 and \$28,384 in FY 2009 through FY 2011. In addition, the Department of Revenue must publish the availability of the new licenses immediately following the effective date of the legislation at a cost of \$4,000. The legislation is effective on passage and approval; therefore, there are administrative costs of \$4,000 in FY 2007.
5. The net fiscal impact of this legislation is (\$4,000) in FY 2007, \$682,564 in FY 2008, and \$4,016 in subsequent fiscal years. These revenues are received by the liquor proprietary fund. The net revenues left in the liquor proprietary fund after expenses are paid are deposited into the state general fund at the end of the fiscal year. The impact to the general fund is a decrease in the transfer to the general fund in FY 2007 and an increase in the revenue transfer in FY 2008 through FY 2011.

Expenditures:

Personal Services	\$0	\$25,988	\$25,988	\$25,988	\$25,988
Operating Expenses	\$4,000	\$1,748	\$2,396	\$2,396	\$2,396
Equipment	\$0	\$6,700	\$0	\$0	\$0
TOTAL Expenditures	\$4,000	\$34,436	\$28,384	\$28,384	\$28,384

Funding of Expenditures:

General Fund (01)	\$0	\$0	\$0	\$0	\$0
Proprietary Fund (06)	\$4,000	\$34,436	\$28,384	\$28,384	\$28,384
TOTAL Funding of Exp.	\$4,000	\$34,436	\$28,384	\$28,384	\$28,384

Revenues:

General Fund (01)	(\$4,000)	\$682,564	\$4,016	\$4,016	\$4,016
Proprietary Fund (06)	\$0	\$717,000	\$32,400	\$32,400	\$32,400
TOTAL Revenues	(\$4,000)	\$717,000	\$32,400	\$32,400	\$32,400

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$4,000)	\$682,564	\$4,016	\$4,016	\$4,016
Other	(\$4,000)	\$682,564	\$4,016	\$4,016	\$4,016

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date